

1 departments in small communities.

2 We have attempted to bring 911 services to our
3 service area. However, the Ziebach and Dewey county board
4 of commissioners have not taken action to collect 911 taxes.
5 We have also spent approximately \$6,000 for an independent
6 E911 study for our service area and have held public
7 meetings in an attempt to generate interest in this area.

8 Q Telephone companies are involved in an industry that
9 is considered high tech and dynamic. Does the telephone
10 authority have qualified staff to serve the public's
11 telecommunication needs?

12 A The telephone authority has 22 employees and the
13 company's success is largely due to the commitment to the
14 business. Most of the employees have been with the company
15 for over fifteen years. We have an annual training benefit
16 that exceeds \$25,000 annual for employees' improvement
17 programs through which staff may operate technology in
18 billing, outside plants, and central office departments.

19 Q Does your telephone company foresee future -- Does
20 your telephone companies foresee future development of
21 services to enhance the lives of your subscribers and
22 customers?

23 A Yes, we do. The telephone authority believes that
24 in the future interactive video services and telemedicine
25 will play an important and crucial role in the lives of our

1 subscribers. The Lakota Nursing College located in Eagle
2 Butte is researching the possibility of conducting classes
3 through interactive video technology.

4 In March 1995 we held a public demonstration
5 featuring an interactive video services vendor. Many
6 community leaders who attended were exited about the
7 potential uses in a community and in the surrounding areas.
8 We have also been researching the costs of 56 kilobyte
9 equipment and which is required as part of the support of
10 the video services, and we will need this in our central
11 office.

12 We are mindful of the future whenever we
13 upgrade our plant. To provide a better communications
14 system, we plan to install adequate fiberoptic cable between
15 all five exchanges within the next five years. More and
16 more of our customers are purchasing computers and the
17 demand for data transmission continues to increase.

18 By joining the South Dakota network fiber
19 system, the company will have access to many current future
20 technology developments such as Internet, a data bank to
21 which many of our local customers are demanding access. The
22 fiber cable network will be in place to link up our schools
23 in our service area whenever interactive video education is
24 requested by them.

25 Q Many small telephone companies throughout the United

1 States play an active role in the development. What has the
2 telephone authority done in this area?

3 A The telephone authority has been fairly active in
4 development of projects. In 1983 the company started a
5 retail office supply and commercial print shop called CRST
6 Telephone Sales and Service. In 1987 the tribal purchased a
7 local propane business. The Cheyenne River Gas Company
8 put it under our management. Also in 1987 we became
9 involved in cable television business and currently provide
10 cable services to over 900 subscribes on four reservation
11 communities.

12 Due to our success in this venture, we were
13 able to build a new building to house the business and to
14 offer direct broadcast satellite service to the
15 reservation population. We are strong advocates of building
16 the local economy from within and our commitment in this
17 area is not only increased employment, but has also added
18 many new services as well.

19 Q Many telephone exchanges have to deal with extended
20 area service. Does the telephone authority have any
21 experience with the EAS concept?

22 A Yes, we do. The telephone authority has always
23 offered extended area service. EAS is offered to four of
24 the five exchanges that we serve. Many of our customers
25 live 70 to 80 miles from Eagle Butte, the tribal

1 headquarters and area trade center. Thusly, it is important
2 to have access to the tribal offices, health facilities,
3 and emergency services without the added cost of long
4 distance. Because we believe EAS to be an essential service
5 to our customer base, the company has established some good
6 EAS policy for customers.

7 Q Thank you. Okay. Now, I'm going to ask you a few
8 questions about Owl River Telephone, Incorporated,
9 specifically. What is Owl River Telephone, Incorporated?

10 A Owl River Telephone, Inc., is a tribally chartered
11 corporation that will be responsible for the administration
12 and management of the Nisland, Morristown, and Timber Lake
13 exchanges purchased from U.S. West. The corporation is
14 owned by the telephone authority, a parent company, and Owl
15 River will conduct business from the main business office
16 located in Eagle Butte, South Dakota.

17 Q Why was the organization needed?

18 A The Owl River Telephone, Inc., was needed
19 for two reasons: First, financing for the three U.S.
20 West exchanges was to be from a different source other than
21 the Rural Utilities Service. The telephone authority
22 decided it would be easier to secure a separate loan from a
23 new company rather than mixing loan mortgages
24 together.

25 Second, newly-acquired exchanges are located

1 outside the exterior boundaries of the reservation and
2 present different jurisdictional issues. The telephone
3 authority is a division of the tribe and is protected
4 by the tribe's sovereign immunity. In the charter
5 corporation, Owl River can address jurisdictional
6 issues without compromising the sovereignty and jurisdiction
7 of the tribe.

8 Q What exchanges will Owl River purchase from U.S.
9 West?

10 A Owl River has agreed to bid to purchase the
11 exchanges of Nisland, Morristown, and Timber Lake. These
12 three exchanges encompass 921 access lines.

13 Q How will Owl River handle services for these
14 new exchanges, specifically, staffing and equipment
15 requirements?

16 A Owl River Telephone, Inc., will hire four new
17 employees to handle the exchanges. We plan to hire
18 a combination technician for the Nisland community. We
19 will place a trailer home in the community to house the
20 employee and build a small addition to house the
21 business office at which Nisland customers will
22 make payments or request services. If they have
23 complaints/concerns that need to be addressed by
24 management personnel located in Eagle Butteb customers will
25 be able to call a 800 toll free number or contact the

1 service person located in the community.

2 We will also have on all three exchanges a 24-
3 hour reporting system of customers to contact. A
4 combination technician will be stationed in Timber Lake, and
5 will oversee the Timber Lake and Morrystown Exchanges.
6 Again, if any of these points or concerns need to be
7 addressed by customers, they will be able to call the
8 toll free 800 number, or contact personnel in any of the
9 exchanges.

10 The company will hire a billing clerk who will
11 be stationed in Eagle Butte to assist in handling the
12 additional 921 access line. A marketing specialist will
13 also be stationed in Eagle Butte and will be employed to
14 handle marketing issues for both the telephone authority and
15 the Owl River organization.

16 We are also currently planning on cost-sharing
17 a central office technician with -- this is a very tentative
18 stage -- with the telephone company purchasing the Mobridge
19 Exchange. The Mobridge switch is a host switch with other
20 remote exchanges being switched at this location. Owl River
21 will be purchase switching from the Mobridge Exchange
22 purchaser for eighteen months, and at that point we will
23 evaluate the success.

24 However, Owl River Telephone will purchase two
25 service vehicles and a trencher for maintenance at the new

1 exchanges. If possible, the new vehicles will be purchased
2 from local dealers in the exchange areas to stimulate
3 economics in the area.

4 Q Will Owl River be able to provide the same quality
5 of service to the new exchanges as U.S. West has?

6 A Owl River will provide the same quality service, if
7 not better, as U.S. West has. The Timber Lake and Nisland
8 Exchanges will have a combination of technicians stationed
9 in the community for immediate repair response unlike U.S.
10 West personnel who had to be dispatched from another
11 community. Owl River will recruit experienced, trained
12 personnel to fill the positions and repair service should
13 remain strong and consistent.

14 Q Will Owl River change the current extended area
15 service coverage in any of the three exchanges?

16 A Owl River will not change the current extended
17 area service system. The company believes that EAS is a
18 great public service and will continue to provide that
19 through the exchanges.

20 Q Will Owl River be subject to the jurisdiction of the
21 PUC and Nisland, Morrystown and Timber Lake Exchanges?

22 A Owl River will be subject to the PUC jurisdiction in
23 the Nisland Exchange and the South Dakota portion of the
24 Morrystown Exchange service area. In the remaining portion
25 of the Morrystown Exchange, Owl River is subject to the

1 laws of the Standing Rock Sioux Tribe and possibly those of
2 North Dakota. The Timber Lake Exchange is located entirely
3 within the exterior boundaries of the reservation and will
4 be subject to the jurisdiction of the Cheyenne River Sioux
5 Tribe.

6 Q Will Owl River pay gross receipts sales tax on the
7 gross income generated by the Nisland, Morristown, and
8 Timber Lake Exchanges?

9 A Owl River will pay gross receipts sales tax on gross
10 income generated by the Nisland Exchange and the South
11 Dakota portion of the Morristown Exchange. The Timber Lake
12 Exchange system is located within the exterior boundaries of
13 the Cheyenne River Sioux Reservation. South Dakota may
14 impose its gross receipts tax on income generated from sales
15 to the non-Indian and non-members of the area. However, it
16 has no mechanism whereby to force a tribe to collect the
17 tax. The tribe has a sales tax agreement with the state and
18 a similar arrangement may be possible with respect to
19 collecting a gross receipts tax.

20 Q Will Owl River put any of the lands included in the
21 Nisland, Morristown, and Timber Lake Exchange purchases in
22 trust status under the rules and federal rules of regulation
23 for that purpose?

24 A Owl River has not as of yet made a decision whether
25 or not to put the hands in trust pending approval of the

1 sale. There are four small tracts of land involved in the
 2 purchase, each approximately the size of a town lot. Our
 3 legal counsel is looking into the advantages and
 4 disadvantages of placing the land in trust.

5 Q Many customers in the U.S. West exchanges to be
 6 purchased by Owl River are concerned about the PUC's lack of
 7 jurisdiction over the exchanges. They fear the rates may
 8 increase or that EAS service will be eliminated. They feel
 9 without PUC regulation, they will not have a regulatory body
 10 to address the problems and concerns they have. How will
 11 Owl River address these issues?

12 A Owl River is well aware of these issues as they were
 13 discussed in the various community meetings held in all
 14 three exchanges. Owl River plans to do as its parent
 15 company, the Cheyenne River Sioux Tribe telephone authority
 16 has done in the past: offer good, competitive service to
 17 its customer. The telephone authority's reliable,
 18 comprehensive and quality service is well documented and
 19 information and statistics on the same will be made
 20 available upon request.

21 Owl River has already undertaken measures to
 22 assure its new customers in the Nisland, Morr~~ist~~town, and
 23 Timber Lake Exchanges that it will continue to provide
 24 good service and competitive prices. Owl River has drafted
 25 a Memorandum of Understanding and will be submitting it

1 later this week to the PUC for review and possible
 2 negotiations on it.

3 Pursuant to this MOU, Owl River has agreed to
 4 follow certain procedures for service and rate changes. And
 5 under the MOU, customers in the nearest exchanges can follow
 6 procedures for resolution of problems and concerns over
 7 service and rates.

8 Q Many customers in the three exchanges are concerned
 9 about the loss of tax revenue that U.S. West has paid in the
 10 past. How does Owl River continue to address those
 11 concerns?

12 A Owl River will have to pay gross receipt sales tax
 13 in the Nisland Exchange, which we feel will nearly equal the
 14 tax that U.S. West has paid in the past. Thus, people in
 15 this area shouldn't be adversely affected.

16 As stated in the earlier testimony, whether the
 17 gross receipts taxes will be collected in Morristown and
 18 Timber Lake Exchanges and how much will be collected depends
 19 on a number of factors. The number of nonIndian and
 20 non-members subscribers in each exchange, who has
 21 jurisdiction over the exchange areas, and whether or not tax
 22 collection agreements can be reached among the several
 23 governmental entities. Unquestionably, the amount of tax
 24 dollars generated at these exchanges will be affected by Owl
 25 River's ownership.

1 We think the customers in these areas might be
2 comforted to know that for many years U.S. West paid real
3 estate taxes based on the value of the total telephone plant
4 they own. Morristown and Timber Lake have received their
5 share of these real estate taxes. There is some question as
6 to whether they were legally entitled to do so. U.S. West
7 informed Owl River that when it paid these real estate
8 taxes, no distinction was made between on-reservation and
9 off-reservation land.

10 Technically, U.S. West was not legally
11 obligated to pay in real estate taxes on the real estate it
12 owned, which was located on the Cheyenne River and Standing
13 Rock Reservation. Thus, the affected counties will not be
14 losing any taxes to which they would not otherwise be
15 entitled and in the past shouldn't have been entitled. It
16 is possible that if the Cheyenne River Sioux Tribe wanted,
17 it can sue for back taxes U.S. West paid on the real estate
18 located on the reservation as well as Standing Rock Sioux
19 Tribe also.

20 Q Many customers in the Nisland, Morristown, and
21 Timber Lake Exchanges asked about representation on Owl
22 River Telephone, Incorporated, board of directors. Please
23 discuss how this organization will operate.

24 A Six members of the telephone authority board of
25 directors will serve as the Owl River Telephone, Inc.

1 board of directors. Under Owl River's Articles of
2 Incorporation and bylaws, elections for officers will be
3 held and the officers will serve a four-year term.
4 Owl River Telephone, Inc., is not a cooperative and its
5 ownership can be compared to that of an organization such as
6 U.S. West. The Cheyenne River Sioux Tribe owned Owl River
7 Telephone, thus, it retains the sole authority to decide
8 who will serve on the board of directors.

9 Owl River Telephone, Inc., will administer
10 and manage the new exchanges according to board
11 policy. As does U.S. West, the board will decide where
12 profits will be allocated.

13 Q Does Owl River have any future plans to
14 implement technological advancements in the Nisland,
15 Morristown, and Timber Lake Exchanges?

16 A We think that is a key factor in what was mentioned
17 in the previous questions where the profits would go. We
18 think Cheyenne River Telephone Authority and the parent
19 company has very well demonstrated that the investment is
20 going back to the community in plant and economic
21 development projects and also to its subscribers. Owl River
22 Telephone will be in the forefront of the new
23 telecommunication developments as have its parent
24 company, the telephone authority. In conjunction with its
25 engineering firm, the company will evaluate the weak

1 areas of the plant in the three exchanges to develop a
2 five or ten-year plan to address these areas. Certainly,
3 within the next two years, within the next two years,
4 the new exchanges will be connected to the South
5 Dakota Network network as they become available
6 to any development service such as SS7 features or access
7 to the Internet data base.

8 Owl River Telephone, Inc., is committed to
9 reinvesting in the company in order to ensure its customers
10 will have access to state of the art telecommunication
11 facilities and services.

12 THE CHAIRMAN: Mr. Welk, do you have any
13 questions?

14 MR. WELK: No, Mr. Chairman.

15 THE CHAIRMAN: Mr. Meyer?

16 MR. MEYER: No.

17 THE CHAIRMAN: Mr. Aberlee?

18 MR. ABERLEE: Yes, I do.

19 THE CHAIRMAN: J.D.

20 MR. ABERLEE: J.D., can I also receive a copy
21 of that, of your written statement?

22 THE WITNESS: Any problem with that, legal
23 counsel? We sure can.

24 MR. ABERLEE: I have a number of questions.
25 First of all, I'd like to set the record straight. I know

1 it's one of the things that the Public Utilities Commission
2 will be very concerned about is the opposition to this
3 purchase by the intervenors is not -- (Inaudible.) Do you
4 feel that is what's going on? Let me rephrase it. If I
5 were to direct my questions to taxes, rates, representation
6 on Owl River and control by Public Utilities Commission, you
7 don't think that any of those things are racially-motivated,
8 do you?

9 THE WITNESS: No.

10 MR. ABERLEE: If at any point I begin to ask
11 you questions which you believe are racial-motivated, would
12 you please tell me?

13 THE WITNESS: I can do that.

14 MR. ABERLEE: First of all, there has been a
15 lot of discussion about taxes and the effect that it's going
16 to have upon the various communities, school districts, and
17 counties. That will not be required to be taken out with
18 regard to the Timber Lake Exchange; is that correct?

19 THE WITNESS: That's correct.

20 MR. ABERLEE: Basically, there will be no taxes
21 paid?

22 THE WITNESS: Correct.

23 MR. ABERLEE: And I believe your statement was
24 that even though the United States Supreme Court has ruled
25 that gross receipts taxes and sales taxes may be collected

1 on sales to non-members, non-members of the tribe, the
2 Cheyenne River Sioux Tribe or Owl River Telephone does not
3 intend to pay those taxes; is that correct?

4 THE WITNESS: I guess that we are open to
5 negotiating with the state if they want to collect those
6 taxes.

7 MR. ABERLEE: But at this point there is no
8 such agreement? You do not intend to pay those; correct?

9 THE WITNESS: That's correct.

10 MR. ABERLEE: Because there is no enforcement
11 mechanism?

12 THE WITNESS: That's correct.

13 MR. ABERLEE: I'd like to go over some of the
14 taxes which will be lost in the city of Timber Lake. I
15 think you've reviewed the figures that were published in the
16 Timber Lake Copy, basically showing that the city of Timber
17 Lake would lose 80 percent of its tax base; is that correct?

18 THE WITNESS: According to the newspaper
19 article, yes.

20 MR. ABERLEE: Have you checked the accuracy of
21 the figures?

22 THE WITNESS: No, we haven't. The reason that
23 is -- Again, coming from my testimony, it's going to take a
24 great deal of effort to check that to see what plants has
25 invested in Indian land or Indian country to come up with

1 the true figures that we discussed.

2 MR. ABERLEE: Are you saying that U.S. West
3 does not have to pay real estate taxes on the Cheyenne
4 Indian River Reservation; that there's some basis for that?

5 THE WITNESS: That they cannot have the
6 authority to pay the county those taxes which, in essence,
7 was on reservation Indian country lands but that were paid
8 anyway to the county.

9 MR. ABERLEE: Even though it's deeded by land?

10 MS. DUCHENEAUX: Mr. Chairman, the answer to
11 that question is there was no distinction made with regard
12 to whether or not the land was deeded or trust and when the
13 taxes were paid.

14 MR. ABERLEE: U.S. West is just paying on legal
15 land right now; correct?

16 THE WITNESS: They pay on the total lands on
17 the whole exchange, if I understand it.

18 MR. ABERLEE: In the city of Timber Lake
19 there's \$274,390 assigned to the plant on deeded land. Do
20 you have any disagreement with that?

21 THE WITNESS: That's correct.

22 MR. ABERLEE: The total assessed evaluation of
23 all the real estate the deeded real estate in Timber Lake is
24 \$3,395,430. Do you have any disagreement with that figure?

25 MS. DUCHENEAUX: Mr. Chairman, we're not sure

1 where Mr. Aberlee got these figures. We have not had an
2 opportunity to review them, to decide one way or the other
3 if we agree with them. We are not prepared tonight to go
4 into the detailed discussion of specific taxes and how they
5 may or may not be impacted by this purchase.

6 As U.S. West has indicated, by the time that we
7 reach the June first and June second hearing in Pierre,
8 we'll be in a better position to discuss this matter. So
9 I'm going to advise my client not to answer any more
10 questions related to this issue.

11 THE CHAIRMAN: The witness can say he disagrees
12 or agrees, in my opinion. So Steve --

13 MR. ABERLEE: Do you have any reason to
14 disagree with those figures?

15 THE WITNESS: I disagree on the point --

16 MS. DUCHENEAUX: Again, Mr. Chairman, I'm going
17 to challenge Mr. Aberlee's questions on the basis that, as
18 an attorney, what he is doing is essentially testifying to
19 facts not in evidence at this hearing. If he's willing to
20 provide me with a copy of whatever documents generated this
21 these figures, I would be more than happy to look at them;
22 and by the June first and June second hearing in Pierre
23 have an answer for him.

24 MR. ABERLEE: I believe Mr. Williams was up in
25 Timber Lake at the public meeting and explained this with

1 various members of the Public Utilities Commission. He had
2 a chance to review those. And I just wanted to point those
3 out at this official meeting. I don't believe that Miss
4 Lawrence was there at that time. Mr. Williams was there by
5 himself, along with various members of the telephone
6 Commission, I believe.

7 MS. DUCHENEAUX: Again, Mr. Chairman, I'm going
8 to object. I'm going to advise my client not to answer the
9 more specific questions concerning taxes. We have already
10 testified to the fact that the state can impose gross
11 receipts taxes on non-members and nonIndians. There is a
12 problem with how they will collect those taxes, and we are
13 willing to work out -- or at least attempt to work out an
14 agreement for collection of those taxes.

15 I am sure Mr. Aberlee does not have included in
16 those figures the Johnson O'Malley federal impact statements
17 that goes to offset taxes that are not paid with respect to
18 the school system that will not be effective, and you will
19 still be receiving those monies.

20 THE CHAIRMAN: I've got to ask the question. I
21 wasn't at the other meeting. But are we retreading old
22 ground on these questions? In other words, was there ample
23 opportunity to --

24 MR. ABERLEE: None of that information is in
25 the record, and that is something I would like to get in the

1 record, just to discuss the tax consequences so that the
2 Commission understands the gravity of the impact that it's
3 going to have on the city of Timber Lake, the Timber Lake
4 school district, and the county as well. I believe that is
5 one of the factors that is cited in the statute which is to
6 be considered by this Commission. I believe that Mr.
7 Williams was testifying that we are not going to pay any of
8 these taxes in any way, shape, or form. I would like to
9 just follow up with that.

10 MS. DUCHENEAUX: First of all, that's not what
11 Mr. Williams testified to. He said that there was no
12 mechanism whereby the state of South Dakota can force the
13 tribe to collect these taxes. However, what he didn't
14 testify to is that we are willing to sit down and try to
15 work out an agreement as we have already in place a sales
16 tax agreement with the state. Those taxes are collected.
17 The agreement has worked for years.

18 Again, I object to Mr. Aberlee is here and his
19 veracity as an attorney. If he is going to testify and
20 present evidence to this body, I would like him to be put
21 under oath and to do so. Until then, I'm going to again
22 advise my client that he's not to answer any more specific
23 questions with regard to taxes until we can verify the
24 figures and perhaps come up with some of our own. Thank
25 you.

1 THE CHAIRMAN: Are you prepared to answer that
2 question here tonight at all? Are you prepared to respond
3 to the question here tonight?

4 THE WITNESS: What question is that?

5 THE CHAIRMAN: That question Mr. Aberlee asked
6 you.

7 THE WITNESS: No, I'm not.

8 THE CHAIRMAN: Will you be prepared at the June
9 first and second hearing?

10 THE WITNESS: If he's willing to share the
11 facts with us. We will have our own figures, but if he
12 wants to share that with us.

13 MR. ABERLEE: I believe they're all public
14 documents that were obtained from the Dewey County auditor's
15 office and were discussed at the meeting at which Mr.
16 Williams explained. But I'm not going to dwell on those. I
17 believe it's something I can follow up at the June first and
18 June second meeting.

19 THE CHAIRMAN: I would advise you to be
20 prepared for the answers to these questions on June first
21 and second. Proceed.

22 MR. ABERLEE: What is the current investment
23 and plan that the Cheyenne River Sioux Tribe telephone
24 authority has? Is that somewhere in the neighborhood of
25 eight million dollars?

1 THE WITNESS: Close to that.

2 MR. ABERLEE: Is that -- is the figure that you
3 have given to the constituents that were present in Timber
4 Lake correct?

5 THE WITNESS: Correct.

6 MR. ABERLEE: And if the total assessed
7 evaluation of real estate in Dewey County was 86 million
8 dollars, that would be about 10 percent of the total
9 property; correct?

10 THE WITNESS: I would have to assume.

11 MR. ABERLEE: That's assuming the figure is
12 correct; right?

13 THE WITNESS: Yes.

14 MR. ABERLEE: Will the Cheyenne River Sioux
15 Tribe disclose the purchase price of the Timber Lake
16 Exchange and the various other communities?

17 THE WITNESS: Not at this time we won't. I
18 think it pretty much follows the same guidelines as the ICAA
19 purchasing along with U.S. West. When the group decides
20 along with the U.S. West that's public, then we will make it
21 public.

22 MR. ABERLEE: You said Owl River is a tribally
23 chartered corporation; correct?

24 THE WITNESS: Correct.

25 MR. ABERLEE: That is not a South Dakota

1 corporation?

2 THE WITNESS: That's correct.

3 MR. ABERLEE: You stated the purpose for that
4 was to take part in the tribe's sovereign immunity; correct?

5 THE WITNESS: No. The reason that is separate
6 because we are jurisdictional lines into North Dakota, South
7 Dakota, Standing Rock Sioux Reservation. Take that
8 organization away and deal with those jurisdictional issues,
9 plus financing to keep it separate from the parent
10 organization, CRST telephone authority.

11 MR. ABERLEE: You also discussed the makeup of
12 the Owl River board. How are they appointed to those
13 positions? Who appoints them?

14 THE WITNESS: There's a nominating process that
15 happens in the six districts on the reservation. Cheyenne
16 Sioux Reservation and the Cheyenne River Sioux Tribal
17 Council makes that selection after that nomination process
18 takes place, and that's based on the qualifications and
19 experience.

20 MR. ABERLEE: So it comes down to the Cheyenne
21 River Sioux Tribe's tribal council making that decision;
22 correct?

23 THE WITNESS: Correct.

24 MR. ABERLEE: In the city of Timber Lake, are
25 you familiar with the racial opposition in the city of

1 Timber Lake?

2 THE WITNESS: Not exactly as far as
3 percentages.

4 MR. ABERLEE: Approximately two-thirds
5 nonIndian, according to the census data? Does that sound
6 about correct?

7 THE WITNESS: I'll have to take your word for
8 it.

9 MR. ABERLEE: Of those people, 66 percent of
10 the people would have no voice in electing the tribal
11 council and the people that would choose who sits; is that
12 correct?

13 THE WITNESS: Correct.

14 MR. ABERLEE: And the people outside such as
15 Nisland and Morristown, there would be a greater percentage
16 -- basically, a hundred percent of those people who would be
17 nonresidents could not vote for anyone on the board of
18 directors; is that correct?

19 THE WITNESS: Correct.

20 MR. ABERLEE: So, basically, they don't have --
21 There are no plans to change that at any point in the
22 future, is there?

23 THE WITNESS: There are no plans.

24 MR. ABERLEE: So at no point will they ever
25 have an opportunity to have anything to say about their

1 directors?

2 THE WITNESS: Correct. Much like the
3 organizations that serves them now, U.S. West. But we
4 aren't going to go through --

5 MR. ABERLEE: Except they can go to the Public
6 Utilities Commission; is that not correct?

7 THE WITNESS: Correct. They also can exchange
8 Nisland in the nonIndian country and Morristown they can
9 also receive that way.

10 MR. ABERLEE: That's not so in Timber Lake?

11 THE WITNESS: That's correct.

12 MR. ABERLEE: And what you've told the
13 Commission here is that those people will no longer have
14 that avenue available to them in Timber Lake; correct?

15 THE WITNESS: Correct. Under the MOU that
16 we're attempting to place into effect, it's going to
17 basically give them those rights to maintain the exact same
18 complaint process that they've been able to use with U.S.
19 West. Also, if some other cooperative will come in and
20 purchase the exchange, it will be formatted after the
21 existing policy that the PUC has in place.

22 MR. ABERLEE: But that's just a consumer
23 carried mechanism put in place that can be removed at any
24 time without any further objection of being in place before
25 the Public Utilities Commission; correct?

1 THE WITNESS: I thought -- I probably can't
2 answer that.

3 MR. ABERLEE: Where is Owl River obtaining its
4 financing?

5 THE WITNESS: Owl River is obtaining that
6 financing from a utility lending institution. And at this
7 time I think that's privileged individual information on our
8 part.

9 MR. ABERLEE: Okay. Didn't you tell the people
10 in Timber Lake that it would be obtained through the utility
11 bank? Which bank were you referring to at that time?

12 THE WITNESS: At that meeting I told them it
13 was given from a financial or a utility lending institution.

14 MR. ABERLEE: But that's private information?

15 THE WITNESS: At this point it is.

16 MR. ABERLEE: What about the interest rate that
17 Owl River would be paying, would that also be private
18 information?

19 THE WITNESS: Yes, it is.

20 MR. ABERLEE: Has there been any plan or
21 feasibility study done for the repayment of the purchase
22 price?

23 THE WITNESS: Yes, there has been. Like I'm
24 sure the consortium group will employ experts that will
25 testify to sit down and analyze the situation and make an